



**Office of the Attorney General
Paul G. Summers**

NEWS RELEASE

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**ELIGIBLE FORD, LINCOLN MERCURY CUSTOMERS TO GET COMPENSATION
AS PART OF MULTISTATE ACTION**

Attorney General Paul G. Summers today joined 38 other states in an agreement entitling certain Ford Credit customers to \$100 each as a result of the states' investigation into questionable leasing practices.

The multistate settlement with Ford Motor Credit impacts more than 150,000 Ford consumers nationwide. It is not yet known how many Tennesseans will be impacted.

"We appreciate the cooperation of Ford Motor Credit Company and its dealers in this matter," General Summers said. "The practices now in effect should resolve the confusion and provide appropriate compensation to affected Tennesseans."

Investigators in the multistate group began looking into the "Red Carpet" leasing program upon discovering early termination of vehicle leases resulted in charges that were sometimes higher than the actual balance owed on the lease. The states allege some dealers would discharge the lease obligation to Ford Credit, but would keep the extra amount charged to consumers. The consumers were usually unaware of any of the questionable practices because the dealers provided the inflated payoff figure to the consumers.

As part of the settlement, Ford Credit and an estimated 1,300 participating Ford and Lincoln Mercury dealers nationwide will pay over \$6.2 million in legal fees and costs. Consumers who are notified by Ford Credit may qualify for a restitution check of \$100 from Ford Credit. Consumers who leased vehicles from Ford and/or Lincoln Mercury dealerships and terminated their leases early, in the years 1991 through 1994 will receive direct notice

from Ford Credit. Other consumers who leased vehicles and terminated their lease early from the year 1995 until today's filing may also be eligible for \$100 restitution.

Ford Credit will be sending its list of consumers who are potentially eligible for restitution within 90 days of today's court filing to the administrator of the settlement, Gilardi & Co. LLC. The settlement agreement administrator will then mail a questionnaire and information to each consumer on the list of potentially eligible consumers. Customers who think they may be eligible need to mail in their questionnaires as soon as they receive them. For more information, any interested consumer should call the settlement administrator 1-800-221-3312 or access the following website <www.gilardi.com>.

As part of the agreement, Ford will change its Red Carpet lease contract language to clearly explain a consumer's rights when terminating a vehicle lease early. The change involves not only Ford Credit branches but also the practices at the Ford and Lincoln Mercury dealerships.

Ford Credit has also agreed to pay for the administration of the agreement. Ford Motor Credit and 31 Tennessee Ford, Lincoln, Mercury dealerships will contribute \$133, 820.51 to the costs of the investigation in Tennessee.